WEEKLY NEWS ARTICLE UPDATE

Prepared by John C. Baize and Associates | 7319 Brad Street | Falls Church, VA 22042
TEL: 703-698-5908 | FAX: 703-698-7109 | E-mail: jbaize@attglobal.net

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Export Sales Highlights

This summary is based on reports from exporters for the period June 3-9, 2016
Soybeans: Net sales of 816,400 MT for 2015/2016 were up 8 percent from the previous week and 57 percent from the prior 4-week average. Increases were reported for unknown destinations (356,500 MT), China (186,500 MT), Saudi Arabia (66,000 MT), Indonesia (58,700 MT), Italy (55,000 MT), and Japan (54,500 MT). Reductions were reported for Iran (60,000 MT) and Mexico (32,600 MT). For 2016/2017, net sales of 768,600 MT were reported primarily for China (475,000 MT), unknown destinations (185,000 MT), Mexico (42,000 MT), Taiwan (36,000 MT), and Japan (20,100 MT). Exports of 124,800 MT were down 1 percent from the previous week and 27 percent from the prior 4-week average. The primary destinations were Mexico (52,000 MT), Costa Rica (15,800 MT), Colombia (12,600 MT), Morocco (10,300 MT), and Taiwan (8,200 MT).

Optional Origin Sales: For 2015/2016, new optional origin sales totaling 4,000 MT were reported for Pakistan. Decreases totaling 180,000 MT were reported for China. The current outstanding sales balance of 483,000 MT is for China (423,000 MT) and Pakistan (60,000 MT). For 2016/2017, the current outstanding balance is 63,000 MT, all China.

Exports for Own Account: The current exports for own account outstanding balance totals 500 MT, all Canada.

Soybean Cake and Meal: Net sales of 84,400 MT for 2015/2016 were up 91 percent from the previous week, but down 5 percent from the prior 4-week average. Increases were reported for Honduras (21,400 MT, including 5,700 MT switched from unknown destinations and decreases of 400 MT), the Dominican Republic (16,800 MT), Colombia (10,800 MT), Nicaragua (10,100 MT), and Guatemala (10,100 MT, including 9,200 MT switched from unknown destinations). Reductions were reported for unknown destinations (7,600 MT) and Panama (1,100 MT). For 2016/2017, net sales of 108,500 MT were reported for Thailand (80,000 MT), unknown destinations (18,200 MT) and Panama (7,100 MT). Exports of 88,400 MT were down 69 percent from the previous week and 60 percent from the prior 4-week average. The primary destinations were Mexico (21,000 MT), Canada (14,600 MT), Panama (12,800 MT), Honduras (12,400 MT), and Guatemala (10,100 MT).

Optional Origin Sales: For 2015/2016, the current optional origin outstanding sales balance totals 99,000 MT, all unknown destinations.

Soybean Oil: Net sales of 13,800 MT for 2015/2016 were down 5 percent from the previous week and 70 percent from the prior 4-week average. Increases were reported for Venezuela (10,000 MT) and the Dominican Republic (5,300 MT). Reductions were reported for Mexico (1,800 MT). For 2016/2017, net sales of 1,900 MT were reported for Mexico. Exports of 6,900 MT were down 70 percent from the previous week and 55 percent from the prior 4-week average. The primary destinations were Mexico (6,700 MT) and Panama (100 MT).

Argentina 2015-16 Soy Harvest Now Seen at 55.3 MT - Exchange
BUENOS AIRES, June 15 (Reuters) - Argentina's Rosario grains exchange on Wednesday revised its forecast for the 2015-16 soy harvest up to 55.3 million tonnes from 55 million tonnes previously.

The exchange raised its forecast for the 2015-16 corn harvest to 27 million tonnes and said 4.7 million tonnes would likely be planted for the upcoming wheat crop.

Brazil to Open Imports of U.S. GMO Corn Provisionally -Ministry
June 16 (Reuters) - The secretary of farm policy for Brazil Agriculture Ministry, Neri Geller, said on Thursday officials are preparing to open imports provisionally for some varieties of genetically modified corn from the United States to ease the local supply crisis.

Brazilian regulations allow a very limited number of GMO crop varieties, and the government has in the past waved restrictions on their import and use in times of crisis.

The country's pork and poultry industry recently imported large shipments of corn from Argentina and Paraguay.

But shipments from the United States have not materialized due to concerns over red tape of securing entry for unauthorized GMOs into the country.

Geller said strong prices for corn and soy should stimulate the expansion of area for grains in the new crop due to start planting in September.

Geller also said grains traders were washing out export contracts and redirecting corn previously sold for export to the domestic market, which was helping to ease local prices.

INTERVIEW-Argentine Corn Area to Increase 20 Percent in 2016-17, Minister
By Nelson Bocanegra
MEDELLIN, Colombia, June 17 (Reuters) - Argentina's area planted with corn could increase 20 percent during the 2016-17 growing season, raising production by between 10 million and 15 million tonnes from the previous year, the country's agriculture minister said.

The boost to corn in the world's fourth-largest exporter of the crop would come at the expense of soy, Agro-Industrial Minister Ricardo Buryaile said on the sidelines of the World Economic Forum's Latin America meeting in Colombia late on Thursday, as the two grains compete for cultivation space.

"We estimate that we are going to have an increase in the cultivations of around 20 percent," Buryaile told Reuters. "We could have between 10 and 15 million more tonnes of corn."

"We will obviously have a reduction in the area of soy as a consequence of the increase in the production of corn and we estimate that from the 60 million that there were, soy production will surely fall to 55 million tonnes."

The minister said he based his increase estimates on 2015-16 corn production of 25 million tonnes, below the forecasts of the Rosario grain exchange and the U.S. Agriculture Department, which both predict output of 27 million tonnes.

Argentina is the world's top exporter of soymeal used in livestock feed and soy oil.

The wheat crop will rise 50 percent in 2016-17 to between 15 million and 16 million tonnes, Buryaile said, up from 10.5 million tonnes.

Higher corn and wheat production will represent some $400 million in additional investment because of an increase in cultivated areas, the minister said.

The Argentine government will "surely" settle a dispute with Monsanto Co over the inspection of shipments of genetically modified soybeans next week, Buryaile said.

Monsanto and President Mauricio Macri's government have been at loggerheads since March over the company's request to have exporting companies inspect soybean shipments to make sure farmers paid royalties on soybean seed technology.

Monsanto, the world's largest seed company, threatened to suspend launches of future soybean technologies in Argentina, a move that could limit output of the country's main cash crop.

"Basically what we've said is the state controls the legality of the seeds, deciding the rules of the game of how its arbitrated and private businesses work and earn money as they should," the minister said.

"We are dynamic defenders of private activity," Buryaile added. "But the government makes the rules."

Exporters Report Soybean Sales to China and Unknown

WASHINGTON, June 17, 2016–Private exporters reported to the U.S. Department of Agriculture the following activity:

Export sales of 129,000 metric tons of soybeans for delivery to China. Of the total 66,000 metric tons is for delivery during the 2015/2016 marketing year and 63,000 metric tons is for delivery during the 2016/2017 marketing year; and

Export sales of 395,000 metric tons of soybeans for delivery to unknown destinations. Of the total 263,000 metric tons is for delivery during the 2015/2016 marketing year and 132,000 metric tons is for delivery during the 2016/2017 marketing year.

The marketing year for soybeans began Sept. 1.

The Hottest Commodity in China Is Feeding Half the World's Pigs

Bloomberg, June 14, 2016

Nobody told China's soybean meal traders that the commodity frenzy is over.

While trading in everything from steel to cotton futures collapsed following steps by the country's regulators to deflate a speculative bubble in April, the volume of soymeal contracts has continued to expand. The amount of the animal feedstock changing hands in a single day on the Dalian Commodity Exchange is more than the U.S. consumes in an entire year and dwarfs trade on the Chicago Board of Trade.

Prices in China have jumped almost 40 percent this year while U.S. futures have returned more than any other raw material on the Bloomberg Commodity Index. Dry weather in Brazil and flooding in Argentina is threatening supplies of soybeans, which are crushed to produce soybean oil and the meal that's fed to animals. There's also speculation that Chinese traders have been surprised by the strength in prices and are now buying to replenish depleted stockpiles.

"Downstream users and traders in China have previously kept low stockpiles of soymeal on the expectation of weak demand and prices," said Monica Tu, a Shanghai-based analyst with Shanghai JC Intelligence Co., who specializes in the soy market. "In recent months, they had to amend their views and restore inventories, supporting solid gains in futures."

Trading Boom

At the peak, a total of 8.4 million contracts traded on the Dalian Commodity Exchange, equivalent to about 42 million metric tons, compared with 162,000 contracts, or 15 million tons, on the Chicago Board of Trade on the same day. The U.S. is forecast to consume about 30 million tons in 2015-2016, according to the Soybean Meal Info Center. China's expected to use more than 60 million tons.

Soybean meal futures are near the highest level in almost two years. The contract for September advanced 1.5 percent to 3,281 yuan a ton on Wednesday with an aggregate 7.4 million contracts changing hands. Chicago futures were up 0.6 percent at 5:47 p.m. in Singapore.

Trading's being driven by concern about supply and demand, in contrast to April's broader commodity frenzy that was attributed largely to short-term speculators, who boosted daily turnover across the nation's futures markets by the equivalent of $183 billion. The unprecedented liquidity drew comparisons with 2015's credit-driven stock market rally that preceded a $5 trillion rout and prompted exchanges to raise transaction fees and margins amid orders from regulators to limit speculation.

Soybean meal is used principally as a protein supplement in food for livestock, including pigs, chickens, sheep and cattle as well in aquaculture. China has almost 60 percent of the world's pig population and produces about 14 percent of global chicken meat, according to the U.S. Department of Agriculture.

Soymeal demand may also be rising in tandem with rising Chinese pork prices, according to Shen Yijie, a Hangzhou-based analyst at Yongan Futures Co. Hog prices in China have surged this year after the nation's herd was cut and feed demand may continue to rise as the population recovers, Shen said.

Argentina Sees Soybean Losses of Up to 4 MMT Due to Floods

LONDON, June 14 (Reuters) - Argentina has lost around 3.7 million to 4 million tonnes of soybeans due to floods and another 1 million tonnes have suffered quality damage, a government official said on Tuesday.

Jesus Silveyra, under-secretary of Agricultural Markets, said production in the current season would fall to 57.6 million tonnes, from 61.4 million in the previous season, following record rains in the northern part of the soy belt.

Silveyra said the damaged soybeans would need to be blended with higher quality crops.

"Maybe for next year we will have again 60 million but it will depend on price," Silveyra told Reuters on the sidelines of the International Grains Council's annual conference.

He estimated that Argentina's soybean exports would fall to 11 million tonnes in the current season, from 11.5 million a year earlier.

The country's corn exports would be "in a good position to compete" after very hot, dry weather reduced the size of Brazil's safrinha corn crop, by three to four million tonnes this year, he said.

He said Argentina's corn exports would rise to 24.0 million tonnes from the prior season's 19.1 million.

He also said that wheat plantings were expected to jump 23 percent to 5 million hectares.

"Next year we will have 9 million tonnes at least for export," Silveyra said, adding that about 5 million tonnes of that total would normally be shipped to Brazil.

He estimated this year's wheat exports at 8 million tonnes.

Argentina's wheat production was set to rise to 15.37 million tonnes from the prior season's 11.3 million.

U.S. Soy Processors Notch Busiest May Ever - NOPA

By Mark Weinraub

CHICAGO, June 15 (Reuters) - U.S. soybean processors boosted their pace of crushing by more than expected during May, supported by robust export demand for soymeal, the National Oilseed Processors Association said on Wednesday.

The crush level was the highest ever for the month of May. Overseas buyers have looked to U.S. suppliers to meet their soymeal needs this spring as problems with the Argentine soybean harvest have limited shipments from that key exporter.

NOPA said that its members crushed 152.820 million bushels of soybeans in May, up from 147.614 million during April. In May 2015, the NOPA crush was 148.416 million bushels, which had been the record for the month.

Analysts had been expecting a May crush of 149.670 million bushels. Crush forecasts ranged from 146.378 million to 157.000 million bushels, with a median of 148.500 million bushels. (Full Story)

NOPA said that soymeal exports fell to 682,500 tons in May from 769,035 tons in April. But they were still well above the 551,146 tons recorded in May 2015.

Soyoil stocks as of May 31 stood at 1.994 billion lbs. Analysts had forecast soyoil stocks of 1.971 billion lbs. Stocks were 1.578 billion lbs a year ago and 1.943 billion at the end of April.

NOPA is the largest U.S. trade group for oilseed processors. It releases crush data on the 15th of each month or the next business day.

Price Rise to Boost U.S. Soy Plantings - USDA Chief Economist

By Nigel Hunt

LONDON, June 14 (Reuters) - U.S. farmers are likely to have boosted soybean plantings after the recent run-up in prices at the expense of corn although the extent of the rise is likely to be modest, U.S. Department of Agriculture chief economist Robert Johansson said on Tuesday.

"It was probably more of a marginal change than a wholesale change," he told Reuters on the sidelines of the International Grains Council's annual conference.

USDA in a prospective plantings report in March put U.S. soybean area at 82.2 million acres, down less than one percent from last year, while corn plantings were forecast to rise by six percent to 93.6 million acres.

"Following that report we've seen a large change in expectations about soybean prices relative to corn prices. It started an upward trend immediately after that report and has continued since," he said.

"As prices started to change there was an opportunity for some producers in some states to switch," he said, noting plantings had continued through April and into May.

He also said that those farmers who had planned to plant corn may already have purchased their inputs such as seed and fertilizers.

"We would have expected producers to have wanted to do that (switch) but is just a matter of whether they had the resources to be able to switch over to different planting regime than they were expecting," Johansson said.

He said that the USDA's March prospective plantings report had under-reported soybean acres and over-reported corn area in 13 of the last 20 years.

USDA is due to update its forecasts for U.S. corn and soybean plantings in a closely watched report on June 30.

Johansson said the change in prices in driven partly by hot, dry weather in Brazil which was not beneficial for second crop corn and soybean production. In contrast, the weather in Argentina was too wet for the soybean crop.

A reduction in stocks in Argentina has also been supportive.

"Argentina was sitting on a lot of soybean stocks and with their devaluation have been exporting a lot higher quantities of both corn and soybeans but those stocks are winding down," he said.

Johansson said wheat prices had failed to keep pace with the recent rise in soybean and corn prices, weighed down by expected record supplies of the grain.

The decline in the relative price of wheat could increase animal feed demand for the grain.

"We would expect to see some increase in feed demand being met by wheat and that is going to weigh a little bit on corn and soybeans," he said.

"The Working Waterfront" Film Takes a New Look at American Aquaculture
INDIANAPOLIS , June 14, 2016 /PRNewswire/ -- "Why aren't we growing our own fish?"

That's the question posed by " The Working Waterfront ," a new film from Living Ocean Productions that explores the current status of aquaculture in the United States . The film can be viewed on YouTube at http://bit.ly/1S2NN4R

"The Working Waterfront" looks at four established farms raising catfish in Alabama , salmon in Washington state , and oysters and mussels in Maine . The farmers talk about their commitment to environmental responsibility, economic benefits to their communities, and producing locally grown, high quality products for their customers. They also discuss challenges to growing a robust U.S.-based aquaculture community.

Over 90% of the seafood Americans eat is imported from overseas, and half of that amount is from aquaculture. The U.S. has ample coastlines, infrastructure, and research and development capability to produce all of the seafood the country demands in an environmentally sound manner. Lack of consistent, coordinated permitting processes and a lingering outdated perception of aquaculture are cited as obstacles to increasing the supply of locally grown fish and seafood.

"There have been so many improvements in biology and technology over the past two decades that have made aquaculture so much more sustainable than when it first started 40 years ago," said Sebastian Belle , Executive Director of the Maine Aquaculture Association. "There's a real need to educate consumers that aquaculture today has less of an environmental impact of any other form of protein production… and that the resulting products are among the healthiest foods anyone can eat."

The film was funded by the Soy Aquaculture Alliance (SAA) and the United Soybean Board to educate the public about the benefits of U.S. aquaculture. SAA is a founding member of the Coalition for U.S. Seafood Production (CUSP), an informal association of aquaculture producers, suppliers, seafood distributors, retailers and restaurateurs that support efforts to grow domestic aquaculture.

"One of the key advances that has made aquaculture more sustainable has been new feed formulations that replace wild-caught fishmeal with plant proteins, especially U.S. soy," said Bridget Owen , Executive Director of the Soy Aquaculture Alliance. "The far reaching benefits of a domestic aquaculture industry can extend up the supply stream to feed ingredient farmers, and down through communities by creating green jobs. But our belief is that healthy, locally raised food benefits American consumers the most."

China Sees Slight Increase in Soybean Imports This Year - Grain Official
LONDON, June 14 (Reuters) - China, the world's biggest soy buyer, expects to import 85 million tonnes of soybeans in 2016/17, up from the prior season, although bumper stocks in storage should limit the increase, a senior official said on Tuesday.

Li Xigui, division director with state-run China National Grain & Oils Information Center (CNGOIC), told the IGC grain conference in London, soybean imports were expected to reach 82 million tonnes in the 2015/16 year on an October-September season.

That compared with 78.35 million tonnes in 2014/15, CNGOIC figures showed.

The forecast for 2016/17 is slightly below the U.S. Department of Agriculture's current forecast for Chinese soybean imports of 87 million tonnes.

"There will be increase but not to such a great level," Li said through a translator.

"Although American soybean exports to China are on the increase, the increase is controllable."

Li said China had been stockpiling soybeans for a number of years.

"We need to hurry up the sale of these reserves," he said, adding that the global market was "too optimistic" about further Chinese soybean demand.

China imported 7.66 million tonnes of soybeans in May, up 8.3 pct from 7.07 million tonnes in April, figures from the General Administration of Customs of China showed last week.

Li forecast a marginal decline in China's wheat production in 2016/17 (June/May) to 130.1 million tonnes from the prior season's 130.2 million.

Imports were seen stable at 3.0 million tonnes.

China corn production was forecast to fall to 218 million tonnes from the prior season's 224.6 million, reflecting a 2.6 percent fall in planted area and 0.5 percent drop in yields.

Li said corn imports would, however, decline to 1.0 million tonnes from the prior season's 2.7 million tonnes due to a glut of supplies of feed grains.

"Our capacity is saturated so we try to reduce our stocks," he said.